



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Cedar City Field Office  
176 East DL Sargent Drive  
Cedar City, Utah 84720

E/001/097  
S/001/011  
S/001/012

# RECEIVED

JAN 31 2000

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:  
UT-040  
3809: UTU-72232

January 28, 2000

Ms. Joelle Burns  
State of Utah, Department of Natural Resources  
Division of Oil, Gas, and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Dear Ms. Burns:

This letter is in regard to several outstanding sureties provided to cover exploration and mining related activities on BLM-managed Federal lands at the Ruby Violet Project site, located within T. 29 S., R. 14 W., Secs. 29 & 30, Beaver County, Utah. The sureties include:

1. \$18,200 reclamation surety in the form of a Letter of Credit \_\_\_\_\_ issued by Bank One of Arizona for the Ruby Violet Exploration Site, E/001/097, Gemstone Mining Inc.
2. \$37,500 "interim surety bond" in the form of a check drawn on the National Bank of Canada for the Red Beryl mine projects formerly operated by Rancho Equipment Services, S/001/011, and Rex Harris, S/001/012.

This office has determined that both of the above mentioned sureties have been superseded by sureties recently provided by Gemstone Mining Inc. to cover large mining operations permit M/001/045, the Ruby Violet Mine. As any and all reclamation liabilities outstanding under the above-mentioned sureties have been fully incorporated within the M/001/045 surety, this office recommends that the prior sureties be closed out at your earliest convenience.

For your information, this office will be incorporating all outstanding and future disturbances related to the Gemstone Mining's Ruby Violet Mine within BLM case file UTU-72232. Former red beryl mine projects S/001/011, Rancho Equipment Services, and S/001/012, Rex Harris, which were covered in our case files, UTU-68565 and UTU-68581, respectively, will be closed out effective immediately.

If you have any questions feel free to call me at (435) 865-3040.

Sincerely,

Ed Ginouves  
Mining Engineer

xc: Scott Wilkinson, Gemstone Mining, Inc. P.O. Box 3413, Cedar City, Utah 84720